
SOCIAL ENTERPRISE AND SOCIAL ENTREPRENEURSHIP: TOOLS TO ACHIEVE A MORE BALANCED WORLD

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INTRODUCTION

What would a world in balance look like? Is it possible to provide adequate food, water, and shelter for everyone without depleting our natural resources? Can we make the extraordinary shift in the way we live so that our planet has the chance to heal and become whole again?

We need a new approach, new tools to help us rebalance our world. We need to design an economy that is based on social and environmental benefits as well as financial ones. We need to harness the intellectual and technological advances we have made in the past 100 years and reassess their abilities to solve our problems rather than to add to them. We need social sector organizations that are financially viable, businesses that do good and entrepreneurs that do good business so that we can achieve balance for ourselves and for our planet.

Before technology and commerce significantly changed the way we live and our effect on both human and natural environments, Native Americans imagined, and lived in, a world that was more in balance. The following story, reprinted from the Bear Tribe's Self-Reliance Book (Simon & Schuster 1998), tells the Fable of the Water Clan, a tribe that used innovative ideas to improve the world.

THE FABLE OF THE WATER CLAN

Once upon a time long ago some people traveled across the great Water in canoes that had giant sails upon them. These strange canoes were able to haul the many people coming in search of new land because the rulers in their old lands had become evil and selfish, and had taught the people to hate those who had a different language, or a different way of worshipping the Great Spirit. The rulers encouraged wars that made them profit but caused suffering and death to the people.

When they came to the land of our ancestors our people welcomed them and sat down with them in council and treated them as brothers and sisters. They passed the pipe, smoked, shared good thoughts and words together, and our people and the strangers gave gifts to each other. There was much happiness on the land.

The people who came across the water said they had need of new homes. Our people said "Come live with us and share our land and our ways and you shall be called people of the Water Clan." The people from across the Great Water looked at the ways of our people and saw that there was peace and plenty and that each man could worship the Great Spirit according to his own vision, so they accepted, with warm gratitude, the offer of our people. They learned to respect our system of government where chiefs and counselors sat together and made good decisions for the people.

The Water Clan told horrible tales of other lands, where men ruled for money and became corrupt. They said "This shall not happen here. Our chiefs, like yours, shall counsel for love of the people and they shall work together in the hunt or the fields with their brothers and sisters."

They told other stories of how people were put in prison because they stole when they were hungry, or killed or committed injury against their fellow humans when there were sicknesses in their minds. And they said "This is bad. It is better if we do as you do and feed the hungry and send people who are sick in these ways to spend time with counselors and medicine chiefs who can help them become well."

As the country grew, we founded warm-up centers together where people who felt upset or had problems could go and rest and be warmed up with love from the wise counselors who helped them to expand and find their balance.

As people moved westward they met more tribes of people who had other visions, and they said, "This is the vision for this part of the land. We must respect it. There are different chiefs here and they are loved by their people, so we will accept their knowledge and counsel."

The chiefs there told their people to take of the buffalo only what they needed for food and the people saw that this was good wisdom that would always leave buffalo for the children yet to come. A chief named Sitting Bull said he had a bad dream that white men in blue coats came with fire sticks to kill and murder his people. The Water Clan people assured him this would not be, since this was a sickness they had happily left behind when they reached the shores of this new land.

As the Water Clan, along with members of some other clans, moved across the land they continued to meet new people until finally the people knew of each other from sea to sea. In some places people had large villages, but always they raised their food together about the village so that they remembered their balance with the Earth Mother. Each area had a council of chiefs who measured the value of any new ideas according to how they would benefit the people, the Earth Mother and the Great Spirit.

When a man called Ford discovered an invention that could move people about and cultivate land they said, "This is good if we use it well. We can raise food to feed hungry people in other lands, and we can move necessary items more quickly within our own land. This will enable the people of one area to visit with people from other areas so that we may learn from each other and our hearts may beat more as one." The Water Clan people thought of many inventions that became useful for the good of the people and which worked in harmony with the land, and the other clans said "It is good that our new brothers and sisters came from across the water to join with us."

When the Water Clan members heard that the people in their old lands had gone crazy and made many weapons that killed many people they asked if they might bring these people to the counselors. This was done, and they were placed in warm-up centers until they learned balance. Then they were sent back to their own lands, and they taught this balance to others while they worked to rebuild the things their madness had destroyed.

Certain of our people visited with the traditional leaders in countries even farther to the east, and the chiefs of all the tribes on the planet counseled together and found a way for all the people to live in peace and plenty.

Everyone learned a balance with the Earth Mother, and she became green and bountiful in her joy. The Great Spirit looked to the Earth where all creatures knew their place and purpose and was glad to see their happiness. It is good.

This is how it could have been. This is how it still might be for those people who learn to walk in love and balance on the Earth Mother.

TOOLS FOR BALANCE

The Water Clan paints a simple and beautiful picture of how the earth can be and the ways in which we have strayed from balance. Like social enterprise and social entrepreneurship, the Water Clan's fable envisions a world that weaves together innovation with benefit to society and the earth.

Social enterprise and social entrepreneurship are powerful tools that can help us achieve an economy where the value of new ideas and business is measured by how they affect our human and natural environments.

A social enterprise pursues a social or environmental mission using market-driven approaches to increase impact and sustainability; social enterprises can exist in all sectors, business, nonprofit, government and philanthropy. As a field of practice, social enterprise is gaining momentum. Organizations such as Social Enterprise Alliance and the Social Enterprise World Forum who serve the social enterprise field are increasing in size and scope.

In the nonprofit sector, a typical example is an organization that starts a revenue generating business with the primary purpose of providing job skills and services to the clients they serve, e.g. people in recovery or who are transitioning out of homelessness. For these types of social enterprises, making a profit is typically not the main goal, although they often can generate enough revenue to help underwrite the cost of providing services, thus requiring less grant funding. Their mission is to operate a business that can provide important services to a population in need while generating some additional revenue to ensure their services can be provided over the long term.

In the United States, social enterprise can be found in some areas of government as well. Many municipalities run their park and recreational areas as social enterprises, generating revenue from user fees, concessions and corporate sponsorships or partnerships. Some government agencies require their divisions to create business plans and operate as profit generating businesses. For example, The United States Forest Service has an Enterprise Unit that focuses on "moving away from large staff organizations toward a model in which units that use their budgets to care for the land and serve people can purchase services they need from internal enterprises," (The US Forest Service Enterprise Program: Reinvigorating Government by Toni L. Stafford 2007).

In the private sector, the creation, or restructuring, of businesses that are both socially and environmentally responsible is increasing. The U.S. Organic Trade Association's manufacturer survey notes that "The U.S. organic industry grew 21% to reach \$17.7 billion in consumer sales in 2006." A new segment of the economy has emerged in the US and globally. In the US, it is referred to as Lifestyles of Health and Sustainability (LOHAS) and accounts for approximately 41 million US adults who spend an estimated \$209 billion for goods and services focused on health, the environment, social justice, personal development and sustainable living (LOHAS website August 2008).

Often it is the financial bottom line that causes a significant change in how business is conducted. Currently, the meteoric rise in fuel prices is causing many companies to restructure the way they produce and ship their goods; the old hippy axiom "buy local" makes good business sense and companies are seeking ways to produce goods closer to their end market. Add the benefits of lowering emissions and suddenly a company looking to increase their profits can jump on the "greenwagon."

However, consumers are increasingly demanding that their products come from companies that have true positive social and environmental impact, through fair sourcing, low carbon emissions, healthy working conditions, and similar factors. As consumers become more savvy about adverse business practices, they are becoming aware of attempts to green-wash certain products and services. The US Government's business.gov website states that "the most successful green businesses don't just sell the green lifestyle. They live it. Selling green means being green and this helps build your brand and image as socially responsible."

Going back to the Water Clan Fable, we can see that people are finally waking up to the creation of a world where inventions are "useful for the good of the people and which work in harmony with the land."

Social entrepreneurship is another vital tool to achieving a more balanced world. It is primarily focused on the social sector and focuses on applying entrepreneurial skills and thinking to solving social and environmental issues, rather than on selling products and services. The Skoll Foundation describes a social entrepreneur as "society's change agent: pioneer of innovations that benefit humanity." They describe a social entrepreneur as "distinct from a business entrepreneur who sees value in the creation of new markets, the social entrepreneur aims for value in the form of transformational change that will benefit disadvantaged communities and ultimately society at large. Social entrepreneurs pioneer innovative and systemic approaches for meeting the needs of the marginalized, the disadvantaged and the disenfranchised—populations that lack the financial means or political clout to achieve lasting benefit on their own." As in the fable of the Water Clan, the value of a social entrepreneur's idea is based on how it benefits the people and the earth.

Fortunately, there are hundreds of social entrepreneurs who are pioneering entrepreneurial approaches to help achieve a more balanced world. The 2006 Nobel Peace Prize winner, Mohammad Yunus, developed the Grameen Bank which provides credit to the extreme poorest and helps lift people out of poverty by helping them develop their own micro

enterprises. Jim Fruchterman, a 2008 MacArthur Fellow, founded Benetech which applies technology to benefit society, such as providing reading machines to the visually impaired. Bill Drayton founded Asoka, an organization that pioneered the field of social entrepreneurship. Ashoka currently supports over 2000 social entrepreneurship fellows in 60 countries around the world by helping them scaling their innovative solutions to many of our most pressing challenges (water, education, housing, health care, etc.)

TOOLS IN ACTION

There are many empowering case studies from the field of social enterprise that prove that a shift in how we do business can bring greater balance to our lives. Located on the sunny, warm island of Oahu, HI, MA'O Organics is a social enterprise that was developed to maximize impact by focusing on the triple bottom line of social, environmental and financial benefits. In comparison, The Bainbridge Graduate Institute, located on a cloudy, cool island off the coast of Seattle, WA was started by a small group of social entrepreneurs who saw a problem in society and set out to scale a solution for addressing it. Both organizations, while serving widely different communities, illustrate how it is possible to successfully embody the Water Clan way of life.

MA'O Organics is a social enterprise that helps youth reconnect to their community and to the land while learning necessary life skills. Nestled in a picturesque valley in the largely native community of Wai'anae on the west side of the island of Oahu in Hawaii, the mission of MA'O is to grow organic food and young leaders that will lead to a sustainable Hawaii.

Considerable political, social, cultural and economic barriers exist on Oahu that have led to overdevelopment and the resulting depletion of natural resources. Additionally, there is a serious disconnection of the native youth from their families and the community. Native Island youth have the highest rates of teen pregnancy, school suspensions, incidents of substance abuse, and juvenile arrests than their non-native counterparts while native Hawaiians have the highest rates of preventable disease including diabetes, heart disease and some cancers. Once a self-sustaining agriculturally sophisticated culture, there is now little access to fresh, local fruits and vegetables on the island; almost 90% of the organic produce found in the markets is imported.

MA'O Organic Farm, through its nonprofit parent, the Wai'anae Community Redevelopment Corporation, strives to develop a comprehensive and living local food system—educating youth, fighting hunger, improving health and nutrition, growing the local organic agriculture industry—to empower their community and help its residents move towards greater self-sufficiency. At the core of MA'O's cultural, educational, and economic development strategy is a concerted effort to assist Wai'anae's youth in becoming more self-sufficient and entrepreneurial. This approach prepares local youth for leadership roles critical to development of productive and sustainable food systems for the people of the Wai'anae Coast. They do this by using a multi-faceted approach:

1. Operating a revenue generating organic farm. MA'O is a self-sustaining organic farm of almost 11 acres. It is operated by Kukui & Gary Maunakea-Forth, a small staff, the local youth who participate in their programs, and community volunteers.

Kukui & Gary are model social entrepreneurs who combine sound environmental practices with broad community impact while remaining financially viable. They strive to have the farm be a model of self-sufficiency and entrepreneurship for the youth they serve.

2. Selling local produce via retail and wholesale venues. MA'O makes its produce available to their community by being a regular vendor at the local farmer's market. They have become a reliable and affordable way for the community to access healthy, local foods that are an integral part of improving the health of Hawaiian natives. Most of Hawaii's organic produce is shipped from the mainland, sending money out of the local economy and bringing in produce that has a shorter shelf life and is considerably more expensive. MA'O is helping to reverse this trend by also selling to local supermarkets, including Hawaii's first Whole Foods Market; and their produce can be found on the menus of many of Honolulu's upscale restaurants.
3. Providing opportunities for youth engagement and leadership. MA'O has many ways to engage youth. Middle school students participate in culturally-based, hands-on workshops that are delivered through in-school workshops. Students from the local high school run a half-acre organic garden in cooperation with MA'O. All students have the opportunity to learn about organic gardening, how to eat healthfully and about entrepreneurial approaches for selling the produce. Additionally, MA'O has an intensive food systems and organic farming internship program for high school students. Finally, the Youth Leadership Training college internship programs provides students with the chance to obtain an Associate of Arts degree from Leeward Community College while engaging in a hands-on organic farm management program at MA'O.

MA'O Organics provides a powerful example of how a social enterprise can be used to positively impact a community, contribute to the health of the planet and generate revenue for long-term sustainability.

The Bainbridge Graduate Institute (BGI) was founded in 2002 by a group of social entrepreneurs: Elizabeth & Gifford Pinchot III, Jill Bamburg and Sherman Sevrin. BGI's mission is to "infuse environmentally and socially responsible business innovation into general business practice by transforming business education."

BGI's founders felt strongly that traditional Masters in Business Administration (MBA) programs were not adequately preparing future business leaders for the catalytic role they could play in the development of a socially just and environmentally sound world economy. By offering one of the first MBAs in Sustainability, BGI has helped inspire a major shift in the traditional academic approach to business education. In addition to their MBA program, BGI provides assistance to other academic institutions who were seeking to integrate sustainability into their core programs.

By 2004, the first class of 18 students graduated from BGI. In just four years, the school has grown to over 200 students and now offers certificate programs in Sustainable Business and Entrepreneurship & Intrapreneurship in addition to the MBA in Sustainability.

The college attracts faculty and speakers from all over the world, including sustainable business pioneers such as human rights activist Van Jones, author Amory Lovins (Natural Capitalism), progressive investor Leslie Christian (Upstream 21) and Seventh Generation CEO Jeffrey Holander. BGI is currently adding a monthly Activist-in-Residence to its Leaders-in-Residence and is expanding the Sustainable Industry Concentration program to include five industries:

- Agriculture & Food Systems
- Community Economic Development
- Energy Solutions
- Green Building
- Outdoor Industry

BGI subscribes to a community-based model where student involvement plays an integral role in the development of the culture, curriculum and growth of the college, enabling the students to learn by doing. Graduates have gone on to work for global corporations such as Hewlett-Packard and Recreational Equipment, Inc. (REI), while others have started their own sustainable businesses, working to create more systemic solutions to environment, education, health and community issues.

BGI is revolutionizing the way business leaders learn, think about, and apply their knowledge to help create a more socially just, environmentally sustainable and profitable world. As their model grows, their impact will grow—through the work of their graduates and the graduates of other programs that have been inspired by BGI's success.

SUMMARY

We can regain our balance, though it will take some work. Fortunately, as we have seen, there are powerful and effective tools for affecting significant change in the way we conduct business and address difficult social issues. Social enterprise provides us with a more holistic approach to applying the principles of the capitalist economy to help us become more socially, environmentally and economically stable. While social entrepreneurship enables us to develop and scale solutions that utilize innovative technology and solutions that create sustainability, both culturally and ecologically.

Existing businesses need to reassess their impact and consider how to incorporate social enterprise practices into their services and products. Entrepreneurs starting new businesses should make the benefits of sound social and environmental decisions a key component of their business models. Individuals, communities, and organizations that are faced with difficult challenges can look to a social enterprise approach for help with solving the pressing issues of our time. Activists can embrace entrepreneurial models and become the social entrepreneurs that scale the innovative solutions to help bring us back to balance. Individuals can make a difference for their communities; communities can make a difference for the world. We can all live in peace and plenty.

ABOUT THE AUTHOR

Kirsten Gagnaire has a passion for addressing social and environmental issues through profitable business ventures and is a national leader in the field of social enterprise. She founded Social Enterprise Group (SEG) in 2000 with a vision to solve complex problems with tangible tools that are accessible to social enterprise practitioners. Kirsten works to assist organizations and individuals in all sectors to develop efficient and effective social enterprises. She consults with, speaks to and teaches social entrepreneurs throughout the world. In her quest to find a scalable way to provide technical assistance to this field, she partnered with Gifford Pinchot III, author, environmentalist and Founder of Bainbridge Graduate Institute, to develop the comprehensive methodology, Sustayne, designed to lead entrepreneurs through the development of their social ventures. Kirsten is Vice Chair of the board of Social Enterprise Alliance, a rapidly growing membership organization. She is a contributor to articles and books regarding social enterprise and was named one of the Puget Sound's Top 40 Under Forty Business Leaders. Kirsten is currently writing her first book *Starting and Growing a Social Enterprise: a Hands-On Guide to Social Ventures and Sustainability*, to be published by Jossey-Bass summer 2009.

Kirsten was Administrator of Strategic Planning at Casey Family Programs. At Casey, she led the design, development and implementation of the foundation's most recent five-year plan, and served as an internal consultant on organizational management and strategy issues. Before working at Casey, Kirsten was a consultant with KPMG Peat Marwick, specializing in management, technology, and organizational development consulting for health and human service agencies. Her fusing of social issues and business expertise began internationally – first as a marketing intern at the Russian-owned world trade center in Moscow and later as a small enterprise development Peace Corps volunteer in Mali, West Africa. She holds a degree in International Business from Seattle University and lives on Vashon Island, WA with her two amazing children, Sophie and Xavier.